

By: Hancock

S.B. No. 559

A BILL TO BE ENTITLED

AN ACT

relating to the application of the miscellaneous gross receipts tax on utility companies.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 182.021(1), Tax Code, is amended to read as follows:

(1) "Utility company" means a person:

(A) who owns or operates a gas or water works, or water plant used for ~~local~~ sale and distribution ~~located~~ within an incorporated city or town in this state; or

(B) who owns or operates an electric light or electric power works, or light plant used for ~~local~~ sale and distribution ~~located~~ within an incorporated city or town in this state, or who is a retail electric provider, as that term is defined in Section 31.002, Utilities Code, that makes ~~local~~ sales within an incorporated city or town in this state; provided, however, that a person who owns an electric light or electric power or gas plant used for distribution but who does not make retail sales to the ultimate consumer within an incorporated city or town in this state is not included in this definition.

SECTION 2. Section 182.022(a), Tax Code, is amended to read as follows:

(a) A tax is imposed on each utility company doing business ~~located~~ in an incorporated city or town having a population of

1 more than 1,000, according to the last federal census next
2 preceding the filing of the report.

3 SECTION 3. Section 182.025(e)(3), Tax Code, is amended to
4 read as follows:

5 (3) "Public utility" means:

6 (A) a person who owns or operates a gas or water
7 works or water plant used for ~~local~~ sale and distribution
8 ~~located~~ within an incorporated city or town in this state; or

9 (B) an electric utility or transmission and
10 distribution utility providing distribution service within an
11 incorporated city or town in this state.

12 SECTION 4. The amendments made by this Act to Sections
13 182.021, 182.022, and 182.025, Tax Code, are a clarification of
14 existing law and do not imply that existing law may be construed as
15 inconsistent with the law as amended by this Act.

16 SECTION 5. This Act takes effect immediately if it receives
17 a vote of two-thirds of all the members elected to each house, as
18 provided by Section 39, Article III, Texas Constitution. If this
19 Act does not receive the vote necessary for immediate effect, this
20 Act takes effect September 1, 2017.